Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
Special Access for Price Cap Local Exchange Carriers)	WC Docket No. 05-25
AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services)))	RM-10593

ORDER

Adopted: March 9, 2016 Released: March 9, 2016

By the Associate Chief, Wireline Competition Bureau:

- 1. In this Order, the Wireline Competition Bureau (Bureau) grants the objections filed by AT&T and Verizon to a request filed by Bruce A. Kushnick, and the objections of CenturyLink and Verizon to a request from Neil Stevens, seeking access to Confidential and Highly Confidential data and information submitted in response to the data collection in the business data services (special access) rulemaking proceeding.
- 2. On December 11, 2012, the Federal Communications Commission (Commission or FCC) adopted the *Data Collection Order*, initiating a data collection for a comprehensive analysis of the market for business data services (Collection). Those required to respond to the collection included "providers and purchasers of special access services as well as some entities that provide best efforts business broadband Internet access services" (the Submitting Parties). The Collection and analysis are part of a rulemaking proceeding to reform the Commission's rules for the regulation of business data services.
- 3. The Bureau issued a *Data Collection Protective Order* on October 14, 2014, pursuant to delegated authority, establishing the process for designating, submitting and accessing the data and information submitted.⁴ The *Data Collection Protective Order* is a supplement to protective orders

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¹ Special Access for Price Cap Local Exchange Carriers; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 16318 (2012) (Data Collection Order); Report and Order, 28 FCC Rcd 13189 (WCB 2013); Order on Reconsideration, 29 FCC Rcd 10899 (WCB 2014); Order, 29 FCC Rcd 14346 (WCB 2014). The last group of data submissions was due February 27, 2015. See Special Access for Price Cap Local Exchange Carriers; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 14346, 14346, para. 1 (2014).

² See Data Collection Order, 27 FCC Rcd at 16327, para. 20.

³ See id. at 16319, para. 1.

⁴ Special Access for Price Cap Local Exchange Carriers, AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, Order and Data Collection Protective Order, 29 FCC Rcd 11657 (WCB 2014) (Data Collection Protective Order); Order and Modified Data Collection Protective Order, 30 FCC Rcd 10027 (WCB 2015).

previously issued in the proceeding.⁵ Parties seeking access to Confidential and Highly Confidential data and information are required to file executed Acknowledgements of Confidentiality (Acknowledgements) agreeing to be bound by the terms of the applicable protective order, and Submitting Parties are given an opportunity to object to the potential Reviewing Parties' access. Under the terms of the *Data Collection Protective Order*, the objection period is within five business days from when the Bureau announces the filing of Acknowledgements by public notice.⁶

- 4. On October 7, 2015, the Bureau released a public notice announcing that Mr. Kushnick on behalf of the New Networks Institute (NNI) had filed an Acknowledgement seeking access to the collected data pursuant to the *Data Collection Protective Order*. Mr. Kushnick also filed signed Acknowledgements seeking access to information submitted in the proceeding pursuant to the *Modified First Protective Order* and the *Second Protective Order*. Objections were filed by two Submitting Parties, AT&T and Verizon, which questioned Mr. Kushnick's qualifications to access the information protected under all three of these protective orders.
- 5. AT&T, a Submitting Party, filed an objection on October 13, 2015, stating that Mr. Kushnick does not qualify to obtain access to the Confidential or Highly Confidential submissions under the protective orders adopted in this rulemaking because neither he nor the entity he filed on behalf of, NNI, is a Participant in the proceeding as defined in the protective orders. A "Participant," as defined by the *Data Collection Protective Order*, is "a person or entity that has filed, or has a good faith intention to file, material comments in this proceeding." Verizon, also a Submitting Party, raised the same objection on October 15, 2015. Mr. Kushnick replied on October 22, 2015, arguing that NNI is qualified under the protective orders as a Participant because "it does intend to participate in this proceeding and will do so in a meaningful way." In response, AT&T stated that Mr. Kushnick's "bare, self-serving assertion" of intent to participate in the proceeding "cannot satisfy the protective order's

⁵ See Data Collection Protective Order, 29 FCC Rcd at 11665-66, paras. 23-24. The earlier protective orders are the Modified First Protective Order and the Second Protective Order. Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, Modified Protective Order, 25 FCC Rcd 15168 (WCB 2010) (Modified First Protective Order); Second Protective Order, 25 FCC Rcd 17725 (WCB 2010) (Second Protective Order).

⁶ Data Collection Protective Order, 29 FCC Rcd at 11665, para. 23, 11673, Appx. A at para. 5.

⁷ Additional Parties Seeking Access to Data and Information Filed in Response to the Special Access Data Collection, Public Notice, 30 FCC Red 10889 (WCB 2015).

⁸ Letter from Bruce A. Kushnick, Telecom Analyst, NNI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Sept. 30, 2015).

⁹ Letter from Rishi P. Chhatwal, Counsel to AT&T, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Oct. 13, 2015) (AT&T Objection); Letter from Curtis L. Groves, Assistant General Counsel, Federal Regulatory and Legal Affairs, Verizon, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (Oct. 15, 2015) (Verizon Kushnick Objection); Letter from Curtis L. Groves, Assistant General Counsel, Federal Regulatory and Legal Affairs, Verizon, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Nov. 16, 2015) (Verizon Stevens Objection); Letter from Christopher T. Shenk, Counsel to AT&T, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Dec. 18, 2015) (AT&T Reply).

¹⁰ AT&T Objection at 2; AT&T Reply at 1.

¹¹ Data Collection Protective Order, 29 FCC Rcd at 11671, Attach. A at para. 1.

¹² Verizon Kushnick Objection at 1.

¹³ Letter from Bruce A. Kushnick, Executive Director, NNI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25, at 1, 2 (citation omitted) (Oct. 22, 2015) (NNI Reply).

standard" of a Participant.¹⁴ On December 24 and 31, 2015, and February 17, 2016, Mr. Kushnick filed further responses taking issue with the attempts of AT&T and Verizon to block his access to the data.¹⁵

- 6. On November 6, 2015, the Bureau released a public notice announcing that Mr. Stevens, a "tech policy writer at Red State," had filed an Acknowledgement seeking access to Confidential and Highly Confidential data and information pursuant to the *Data Collection Protective Order*. Mr. Stevens also filed signed Acknowledgements seeking access to the submissions pursuant to the *Modified First Protective Order* and *Second Protective Order*. Submitting Parties, CenturyLink and Verizon, filed objections to the access sought by Mr. Stevens. CenturyLink states that "[a]llowing access to [the submitted] data to RedState.com would be inconsistent with both the terms and intent of the *Protective Orders* to protect this critically sensitive business information. Verizon similarly contends that Mr. Stevens is not qualified to receive access to the submitted data and information under the protective orders, and that "[n]either Mr. Kushnick nor Mr. Stevens has a legitimate reason to access the highly sensitive business materials Verizon has submitted to the Commission under Protective Orders. On November 16, 2015, CenturyLink filed again objecting to Mr. Stevens's access to the Confidential and Highly Confidential data and information, stating that "Mr. Stevens (as well as RedState.com) is not a "Participant" in the *Special Access* proceeding. Mr. Stevens has not replied to the objections raised.
- 7. Submissions made pursuant to the *Data Collection Protective Order*, include data and information submitted on locations with facilities, prices charged, revenues, expenditures, and business strategies.²² This information is commercially sensitive and is not routinely made available to the public by the Submitting Parties.²³ Only eligible persons may receive access to the submission, pursuant to the protective orders in this proceeding. The Bureau adopted the procedures set forth in the *Data Collection Protective Order* after having sought comment "on 'various methods of allowing restricted access to highly confidential data in a secure data environment."²⁴

¹⁴ AT&T Reply at 4-5 ("Mr. Kushnick has offered no evidence of New Networks' good faith or ability to file material comments.").

¹⁵ Letter from Bruce A. Kushnick, Executive Director, NNI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Dec. 24, 2015); Letter from Bruce A. Kushnick, Executive Director, NNI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Dec. 31, 2015); Letter from Bruce A. Kushnick, Executive Director, NNI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Feb. 17, 2015).

¹⁶ Additional Parties Seeking Access to Data and Information Filed in Response to the Special Access Data Collection, WC Docket No. 05-25; Public Notice, 30 FCC Red 12363 (WCB 2015).

¹⁷ Letter from Neil Stevens, Contributing Editor, Red State, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (Oct. 22, 2015) (Stevens Signed Acknowledgements).

¹⁸ Letter from Craig J. Brown, Senior Associate General Counsel, CenturyLink, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Oct. 13, 2015) (CenturyLink Objection); Letter from Craig J. Brown, Senior Associate General Counsel, CenturyLink, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Nov. 16, 2015) (CenturyLink Reply); Verizon Stevens Objection.

¹⁹ CenturyLink Objection at 3; CenturyLink Objection at 2.

²⁰ Verizon Stevens Objection at 2.

²¹ CenturyLink Reply at 2.

²² Data Collection Protective Order, 29 FCC Rcd at 11658, para. 3.

²³ *Id*.

²⁴ Modified Data Collection Protective Order, 30 FCC Rcd at 10028, para. 3 (quoting Wireline Competition Bureau Seeks Comment on Protective Order for Special Access Data Collection, Public Notice, 28 FCC Rcd 9170, 9171 (WCB 2013)).

- 8. The *Data Collection Protective Order* is designed to protect this "competitively sensitive information from unauthorized disclosure to competitors and the general public at large while still giving interested parties the opportunity, through their appropriate representatives, to participate in the rulemaking proceeding as required by the Administrative Procedure Act (APA)."²⁵ The *Data Collection Protective Order* limits access to Highly Confidential data and information "to Outside Counsel and Outside Consultants and their employees who are not involved in the Competitive Decision-Making activities of a competitor of a Submitting Party or a person with whom the Submitting Party does business."²⁶ The terms, "Outside Counsel of Record" and "Outside Consultant," each refer to the "Participant," on whose behalf either the Outside Counsel of Record or Outside Consultant would potentially gain access to Confidential and Highly Confidential data and information.²⁷ Parties granted access to the collected data and information are allowed to use it only for participating in the underlying rulemaking proceeding and are prohibited from using it for any purpose other than such participation.²⁸
- 9. The Second Protective Order limits access to highly confidential and competitively sensitive documents, similar to the Data Collection Protective Order, "to Outside Counsel of Record, their employees, and Outside Consultants whom they retain to assist them in this proceeding." The Second Protective Order took "steps above and beyond the restrictions contained in prior protective orders," in response to "commenters who raised security concerns" and "object[ions] to the very fact that the [Modified First Protective Order] allows review of their confidential information" under any circumstances, and further limited access to Submitting Parties' data and information. The Second Protective Order also further limits access to outside consultant or experts only if either was "retained for the purpose of assisting Counsel." Additional steps were also taken to mitigate "the potential risks of the collected data on critical communications infrastructure" as part of the Modified Data Collection Protective Order. 32
- 10. *Discussion*. As the Commission has explained, the protection "of commercially sensitive materials submitted by parties pursuant to protective orders and confidentiality agreements is a very serious matter requiring vigilance by Commission staff as well as all parties gaining access to such information."³³ The Commission "recognize[s] that parties have a legitimate concern that their competitively sensitive and other confidential information not be made available to their competitors, those with whom they do business, or the general public."³⁴ Any unauthorized disclosure "could lead to substantial competitive and financial harm to the party submitting that information[,]... undermine

²⁵ Modified Data Collection Protective Order, 30 FCC Rcd at 10031, para. 8.

²⁶ Data Collection Protective Order, 29 FCC Rcd at 11665, 11673, para. 23 & Attach. A at para. 5.

²⁷ *Id.* at 11670-71, Attach. A, para. 1.

²⁸ Modified Data Collection Protective Order, 30 FCC Rcd at 10036. para. 20.

²⁹ Second Protective Order, 25 FCC Rcd at 17726, para. 3.

³⁰ Modified Data Collection Protective Order, 30 FCC Rcd at 10033, para. 13-14.

³¹ Second Protective Order, 25 FCC Rcd at 17727, para. 5.

³² *Modified Data Collection Protective Order*, 30 FCC Rcd at 10037, para. 24.

³³ Applications of America Online, Inc. and Time Warner Inc. for Transfers of Control, CS Docket No. 00-30, Memorandum Opinion and Order, 16 FCC Rcd 2400, 2406, para. 27 (Cable Services Bur. 2001) (AOL/Time Warner Order) (quoting Applications of Craig O. McCaw and AT&T Co. for Consent to Transfer of Control of McCaw Cellular Comme'ns Inc. and its Subsidiaries, File No. ENF-93-44 et al., Memorandum Opinion and Order, 9 FCC Rcd 5836, 5924, para. 163 (1994) (McCaw/AT&T Order)).

³⁴ See Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149, Order, 30 FCC Rcd 10360, 10367, para. 16 (2015) (Charter Order).

public confidence in the effectiveness and integrity of the Commission's processes, and have a chilling effect on the willingness of parties to provide us with information needed to fulfill our regulatory duties." As AT&T notes, "if the industry were to lose confidence in the robustness of the Commission's procedures for protecting competitively sensitive confidential information, the existing protective order system (which has worked well) could easily devolve into routine and costly interlocutory litigation." In light of the potential harms that can be caused by the unauthorized disclosure of confidential information, we examine the requests and objections to Mr. Stevens and Mr. Kushnick being permitted to review the confidential competitively sensitive information submitted in this docket, and grant the objections.

- 11. Mr. Stevens is a tech policy writer and contributing editor for RedState.com, a website focusing on reporting politically-oriented news.³⁷ In filing his Acknowledgments, he does not claim to represent or be employed by any other entity or party to these proceedings. We find that Mr. Stevens is not an Outside Consultant, Outside Counsel of Record or Outside Counsel employed by a Participant in this proceeding, as those terms are used in the protective orders. Mr. Stevens is therefore not eligible to review confidential information pursuant to the protective orders.³⁸
- 12. Mr. Kushnick has sought access to the confidential data submitted in this proceeding in his capacity as Executive Director of NNI. According to its Reply, NNI is "a market research firm" that "focus[es] on the public interest" and whose members purchase communications services.³⁹ On its website, NNI appears to distinguish between NNI, which is described as a market research firm, and a sister organization, Teletruth, of which Mr. Kushnick is Chairman and which NNI describes as an independent customer advocacy group.⁴⁰ According to NNI, Teletruth also provides phone bill auditing services, ⁴¹ and through those services, NNI has "helped to initiate and successfully complete numerous Class Action suits [regarding telecommunications services] in specific states."⁴² NNI does not state whether it provides purchasing or other commercial advice for its members, and while its Reply and website imply that it does not, Mr. Kushnick's biography on the Huffington Post website describes NNI as a "market research and consulting firm."⁴³ If NNI is engaged in commercial activity advising customers of the Submitting Parties, its employees who engage in those activities would not be eligible to review confidential material.⁴⁴

³⁵ AOL/Time Warner Order, 16 FCC Rcd at 19669, para. 4 (quoting McCaw/AT&T Order, 9 FCC Rcd at 5923-24, para. 163).

³⁶ AT&T Reply at 3 (citing *CBS Corp. v. FCC*, 785 F.3d 699 (D.C. Cir. 2015)).

³⁷ See Stevens Signed Acknowledgements at 1 (filing "on behalf of Neil Stevens, tech policy writer at Red State"); *id.* Attach. (executing Acknowledgements as "Contributing Editor, RedState.com"); *see also* Red State.com, http://www.redstate.com/about/ (last visited Feb. 19, 2016). According to the website, "RedState is the most widely read right of center site on Capitol Hill, is highly respected and cited in the media, and has rapidly become one of the most influential voices of the grassroots on the right." *Id.*

³⁸ See Data Collection Protective Order, 29 FCC Rcd at 11673, Appx. A at para. 5.

³⁹ See NNI Reply at 1, 2.

⁴⁰ See, e.g., New Networks, New Networks Advisors, http://newnetworks.com/new-networks-advisors/ (last visited Feb. 19, 2016).

⁴¹ *Id*.

⁴² *Id.*; New Networks, History & Mission, http://newnetworks.com/mission-statement/ (last visited Feb. 19, 2016).

⁴³ The Huffington Post, Bruce Kushnick, http://www.huffingtonpost.com/bruce-kushnick/ (last visited Feb. 19, 2016).

⁴⁴ See, e.g., Letter to Joseph I. Marchese, Esq., Burson & Fisher, P.A., from Rick Kaplan, Chief, Wireless Telecommunications Bureau, FCC, 26 FCC Rcd 11235 (2011) (upholding objection to attorneys who were involved in class action law suits against the submitting parties).

- AT&T argues, however, that "Mr. Kushnick's main occupation appears to be authoring blog posts that appear on websites including websites for the NNI, Tele-Truth, and the Huffington Post . . . and authoring books." ⁴⁶ Mr. Kushnick has also described himself as a journalist in court filings. ⁴⁷ AT&T asserts it is concerned that Mr. Kushnick will improperly use any confidential information he reviews, even if inadvertently. It argues that Mr. Kushnick "believes special access information should be public, another obvious basis for concern." ⁴⁸ AT&T further argues "At the very least, once Mr. Kushnick were permitted to see the data, it would be difficult to 'un-ring the bell,' and to prevent his knowledge of those data from affecting his publically written blog posts and books, potentially resulting in inadvertent but nonetheless harmful disclosure of highly confidential data." ⁴⁹ We note that Mr. Kushnick has written publicly in a blog post that "In order to see this FCC data we had to sign a confidentiality agreement that restricts the use of the information in anything except what is filed in this original FCC proceeding, Docket Number 05-25. However, it will give us insight into a marketplace that is now totally obscured, hidden from view." ⁵⁰
- 14. AT&T states that NNI has never filed comments in these proceedings. While NNI has submitted various general reports about telecommunications issues, they do not address the specific issues in this docket and have been simultaneously filed in multiple wireline proceedings. For example, on December 16, 2016, NNI filed two reports regarding Verizon's financial accounting practices. Those reports were filed in a total of 29 Commission dockets. Finally, AT&T argues that "When a person who has previously shown no interest in a decade-old proceeding suddenly seeks access to a newly collected mass of highly competitively sensitive information, that person should bear the burden of demonstrating whether such disclosure is appropriate especially in the context of the more stringent protections here and the lack of transparency in who is behind Mr. Kushnick's organizations." 52
- against Mr. Kushnick. First, there is some doubt as to whether or not NNI provides commercial services or, in conjunction with affiliated organizations, engages in other activities (such as bill auditing). If so, Mr. Kushnick would not qualify as an Outside Consultant within the meaning of the protective orders. Further complicating matters is that on February 3, 2016, NNI submitted a filing in this docket in which it described itself as "now a consortium of independent telecom analysts, forensic auditors, and lawyers." Thus, the exact nature of NNI's activities and Mr. Kushnick's role (whether Mr. Kushnick is acting as a representative of NNI or is he now acting in his own capacity) is unclear. Second, there is a question as to Mr. Kushnick's purpose for reviewing the confidential materials. Providing a person with background knowledge of an industry or "insight into a marketplace" is not a proper reason under the protective orders to be allowed to review companies' most highly competitively sensitive information.

⁴⁵ NNI Reply at 2.

⁴⁶ AT&T Reply at 6.

⁴⁷ Complaint, *Bruce A. Kushnick v. FCC*, Case No. 1:15-cv-02229 (D.D.C. Dec. 22, 2015); AT&T Reply at 6-7.

⁴⁸ AT&T Reply at 6-7.

⁴⁹ *Id*.

⁵⁰ Huffington Post, The Blog, http://www.huffingtonpost.com/bruce-kushnick/att-to-fcc-stop-kushnick_b_ 8308888 .html (last visited Feb. 19, 2016).

⁵¹ Letter from Bruce Kushnick, NNI, to Marlene Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Dec. 16, 2015). Similarly, Mr. Kushnick filed a letter in multiple proceedings stating that he needs access to the data because it will corroborate his claims about the telephone companies accounting practices. Letter from Bruce A. Kushnick, Executive Director, NNI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Feb. 17, 2015).

⁵² AT&T Reply at 7.

⁵³ Letter from Bruce Kushnick, NNI to Marlene Dortch, Secretary, FCC, WC Docket No. 05-25 (filed Feb. 3, 2016).

- 16. Moreover, Mr. Kushnick's lack of previous involvement in this proceeding along with the very general nature of his filings in this docket and other dockets raise doubt as to whether he would use his review of the confidential information to provide comments specifically on the questions at issue in this proceeding which is the only proper use of the materials allowed under the terms of the protective orders. An additional factor in our consideration is Mr. Kushnick's work as a journalist and author. Many experts write books and articles, and most public interest groups maintain websites, and engaging in these activities will not by itself disqualify a person as an Outside Consultant under the Commission's protective orders. On the other hand, a person is not entitled to access confidential material under a protective order in his capacity as a journalist or author. The Commission has stated "We will not permit access to confidential materials by anyone who is not participating in the proceeding in good faith or by someone who we have good reason to believe will not be using the information for proper purposes." Based on all of these factors and the evidence in the record, we conclude that Mr. Kushnick has not shown that he is qualified under the protective orders to review the confidential information submitted in this docket.
- 17. Accordingly, IT IS ORDERED, pursuant to sections 1, 4(i), and 5(c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), sections 0.91, and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, and 0.291, and the authority delegated to the Bureau in the *Data Collection Order*, 27 FCC Rcd at 16340, para. 52, that the objections filed by AT&T on October 13, 2015, Verizon on October 15, 2015 and November 16, 2015, and CenturyLink on October 13, 2015 ARE GRANTED.
- 18. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Deena M. Shetler Associate Chief Wireline Competition Bureau

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⁵⁴ *Charter Order*, 30 FCC Rcd at 10368, para. 16.